



Preserving Bardstown

Educating Our Youth

Historic buildings exemplify our history, that is one of the most important reasons for preservation of these structures; but history is not the only reason to save a historic structure. Adding beauty to the surrounding area is also a major factor. Without these structures, tourism would slow and the atmosphere of Bardstown as a whole would diminish. Reuse is a big topic today and is another reason to restore and rehabilitate commercial and residential buildings. One could turn an old carriage house into a beautiful apartment, or a deserted firehouse into a home. The ultimate environmentally friendly form of construction is restoration.

Producing a foundation of knowledge is a responsibility of elder generations to bestow upon the younger. From gained understandings of different aspects of life, a child's concerns and attitudes toward all things is shaped by what we im-

part in them. We need to explain the importance of the history that lies within the historic structures we know and love. It is our job to shape their knowledge of history; so, why not make it a goal to include the respect and love for historic resources? If we do not imbue this respect for history in the children of today, we may not have any history standing tomorrow. Working with young people **now** is a good way to protect our historic and cultural resources for generations to come.

We cannot just stop at 'Most Beautiful Small Town 2012'. We must keep adding to our sterling reputation of clean streets, cute boutiques, and world-class bourbon. History is responsible for all of this. Our streetscapes and charming historic residences and commercial buildings are the reason we received this title. If the younger generations do not

respect this, the visitors to our town will lessen. We need to bestow pride in our youth. Let's work together to get children off their phones, iPads, and Xboxes, and into museums and walking tours. If they interact they might just give in to the beauty that is our history. You have to know it to appreciate it.

-Hope Hawkins

Suggestions for historic activities in Bardstown:

-Visit Old Bardstown Village to experience the log structures.

-Speak with the Tourist Commission for information and a self guided tour through downtown.

-Go to an antique store to learn about implements used in the past for various tasks.

-Visit Wickland (Home of Three Governors).

Plaster Workshop

Tom Schnurr of Julius Schnurr and Sons will be donating his expertise for a plaster demonstration on Saturday, October 19th, 2013 from 10 a.m. until 12:30 p.m. The demonstration will be held in the Fiscal Court Room on the

second floor of the Old Courthouse.

Plasterwork is a dying trade. We are lucky to host an expert such as Mr. Schnurr. Julius Schnurr and Sons have had four generations of experience in Louisville, Kentucky. The

demonstration will include material examples, tools of the trade, methods, and a small-scale model of lath to plaster.

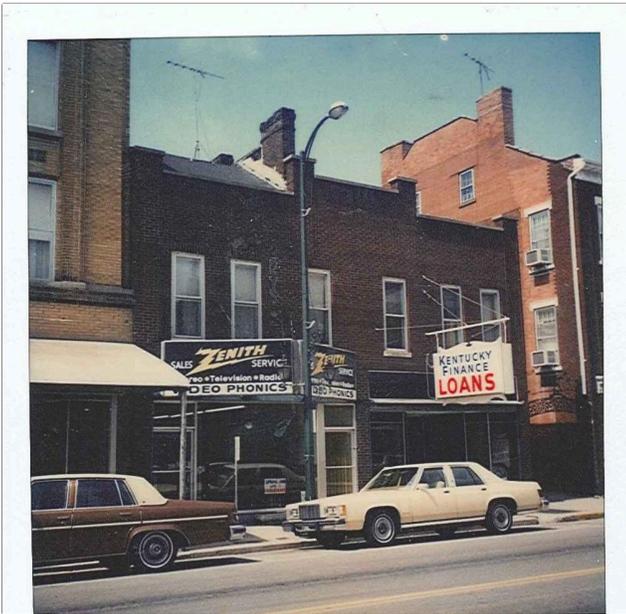
Come on down! It is a FREE training! See you in October!



Acknowledgement:

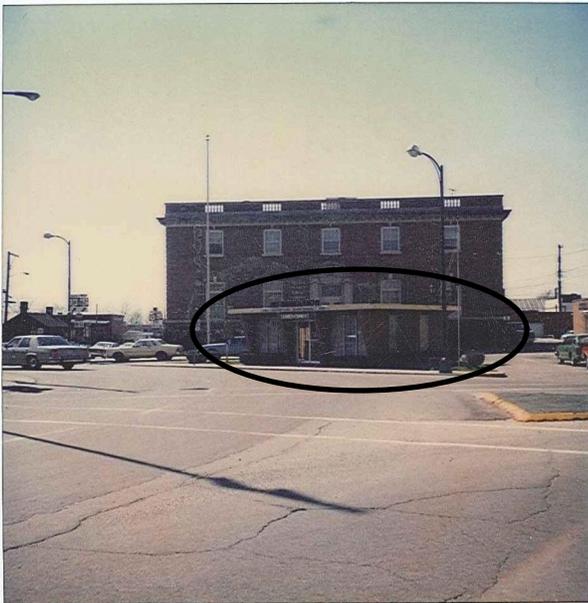
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Before and After



What is the importance of having Historic Zoning? Well, in looking at the before and after photographs of a few Historic District buildings, the reason for the regulations is apparent. As a town thriving on the quaint,

historic feeling of our Historic District, we would not have such a 'look' had the ordinances not been enacted in 1952. The differences at 108-110 North Third Street are remarkable and a good reminder of how integral the City of Bardstown's regulations can be in creating the atmosphere of downtown.



TORN DOWN



Streetscapes are also a large part of the dynamic for creating a beautiful small town. Until the 1980's, there was a visitor center in the square, surrounded by concrete. It also blocked the view of our beautiful and historic, former Library Building (home to FABS). Also notice in the above examples how the landscaping adds to the charm of the district.

RuskinArc™: New Technology

The Joint City-County Planning Commission has, through the Kentucky Heritage Council Certified Local Government Grant, purchased a program that will make information on historic properties more accessible to the public. The program is “RuskinArc™” and the concept was developed by Kentucky native Glen Payne.

ArcGIS®, the Global Information Systems program currently used to store records, is a wonderful database for information and tracking of numerical and limited word resources. But, linking with other programs is timely and not necessarily ‘user-friendly’. Considering that the Preservation Administrator is also working on GIS for Planning and Zoning, she understands that

ArcGIS® may not be very accessible to the public. Our Certified Local Government Coordinator suggested looking into RuskinArc™ as a

way to reach out to the community. RuskinArc™ will be available on-line and for public viewing within the next few months. The web pages will be for each individual structure in the Historic District and include subjects not only the structural elements but also with the history of the property. Knowing how a structure is intertwined with history will hopefully bring forth more respect and interest in the structures we have. In Bardstown we

need interesting structures and stories to maintain this wonderful tourist destination. Bourbon is a big reason, but not the only reason, that Bardstown is on the map. Our historic structures keep visitors coming back.

Kennett House

Built in 1870 the Kennett House or Pash House, at 701 Kurtz Street, is one radiating



with the history of the bourbon industry in Bardstown. R.H. Edelen was the financier to build this 3300

square foot Queen Anne style home with six bedrooms. A structure on the property, used as a carriage house, is estimated to have been built in 1825. Further research needs to be completed.

R.H. Edelen (b. 1856) and father-in-law, John Simms II, and Thomas Moore acquired the Mattingly and Moore Distillery in 1881. They sold their bourbons under the names “Mattingly & Moore Brand” and “Simms & Edelen Rye & Bourbon”. The bourbon, “Belle of Nelson”, was also first bottled at this distillery. The brand was sold to Bartley,

Johnson & Co. of Louisville. These brands were distilled in what is now locally “Barton Distillery” or simply “Barton’s”. In 1889, Moore withdrew from the company in order to finance his own distillery on an adjacent plot of land. In 1891, insurance underwriter records suggest that the distillery was of frame construction with a metal or slate roof. The property included five warehouses. Sadly, in 1906 R.H. Edelen & Company, which was partnered by a John S. Kelley, purchased “all the whiskey...including the product for five years from this date [November 29, 1906], and authorized to be sold by said writing...marked ‘W.B.S. & Co.’ (W.B. Samuels & Co.)”. By 1916, Simms, Moore & Edelen became insolvent and



the distillery was put up for auction. In the 1920 census, R.H. Edelen described himself as a farmer, not a distiller. Prohibition may have had

a hand in this response, but considering the insolvency of 1916 it was probably the case.

Edelen raised American Berkshire swine, probably feeding with the mash by-products produced by the distillation process. The continuation of this farming practice was what got him through the hard-times.

This connection to some of the most important history in Bardstown earned the Kennett House a spot in this newsletter. It is currently in the process of renovation and rehabilitation. Despite the deterioration and vandalism, what is now a run-down house will become a beautiful marker of Bardstown’s historic importance to the bourbon industry.

Look for information on Local, State, and Federal Tax Credits for rehabilitation on the following pages.

Rehabilitation Tax Credits

City Property Tax Freeze (Property Valuation Assessment Moratorium)

When properties are undergoing rehabilitation, the City of Bardstown will freeze City property taxes at the pre-rehab level for a period of five (5) years. The purpose of this program is to encourage the repair, rehabilitation, and restoration of buildings 25 years old or older. This property tax freeze is achieved through a moratorium on property valuation assessments.

To qualify for the property tax freeze, an application form must be submitted to the Office of the City Clerk at least thirty (30) days before any construction work begins. The property is then assessed by the Nelson County Property Valuation Administrator (PVA), who returns the application to the Office of the City Clerk with an assessment within thirty (30) days. The application is then reviewed by City officials and approved by the Bardstown City Council. The moratorium becomes effective on the next assessment date after approval and remains in effect for five (5) years.

Improvements must be completed within two (2) years unless a written extension is granted. Upon completion of the work, the owner should notify the Office of the City Clerk and request an on-site property inspection to insure that the improvements proposed in the application have been completed. The Office of the City Clerk shall then enter the PVA assessment for the property for City tax purposes only.

A tax moratorium may be transferred or assigned by the holder of the certificate to a new owner or lessee of the property. Any property granted an assessment or re-assessment moratorium may be eligible for another moratorium if three (3) years have passed since the previous moratorium ended. On the next assessment date following the expiration, cancellation, or revocation of an assessment or re-assessment moratorium, the property will be assessed on the basis of its full fair cost value.

Example:

2013 Tax Assessment	\$28,500
2013 City Property Tax	\$53
5-Year Tax with Moratorium	\$265
Post-rehabilitation tax assessment	\$80,000
Post-rehabilitation tax	\$149.60
5-year savings with tax moratorium	\$483

Kentucky Historic Preservation Tax Credit

The Kentucky program is a refundable credit. The tax credit is applied to the owner's state tax liability, and any amount remaining above tax liability is refunded in the first year.

The state tax credit applies to owner-occupied and income-producing projects as follows:

30% of qualified rehabilitation expenses is offered as a state tax credit for owner-occupied residential properties. A minimum investment of \$20,000 is required, with the total credit not to exceed \$60,000

20% of qualified rehabilitation expenses is available for all other properties, requiring a minimum investment of \$20,000 or the adjusted basis, whichever is greater. The total credit for a project must not exceed \$400,000. "Other" properties include commercial and industrial buildings, income-producing properties, historic landscapes and properties owned by governments and non-profit organizations

Seven year apportionment formula average for the state credit is 49%

There is no allowance in Kentucky for "phased projects" longer than 24 months. Therefore, each rehabilitation project submitted for a tax credit should be self-contained within a two-year period.

Currently the amount of historic preservation tax credits allowed for all taxpayers for each calendar year is \$5 million. If that limit is exceeded by approved projects, an apportionment formula will be applied to determine the amount of the credit that will be awarded per project. As a result, the final credit awarded to each project may be less than the entire percentage for which the project is eligible.

For owner-occupied: If an individual spends \$50,000 in qualified expenses, the tax credit will be about \$7,500 based on the 7-year apportionment formula average. The tax credit is applied to the owner's state tax liability, and any amount remaining above tax liability is refunded in the first year.

For income-producing: If an individual spends \$50,000 in qualified expenses, the tax credit will be about \$5,000 based on the 7-year apportionment formula average. The tax credit is applied to the owner's state tax liability, and any amount remaining above tax liability is refunded in the first year.

For more information visit:

<http://www.heritage.ky.gov/incentives/>

Rehabilitation Tax Credits

20% Federal Rehabilitation Tax Credit

A tax credit lowers the tax owed by an individual. A tax credit differs from a tax deduction in that an income tax deduction lowers the amount of income subject to taxation, while a tax credit is a dollar-for-dollar reduction in income tax liability. In other words, a tax credit of one dollar reduces the amount of income tax owed by one dollar. Taxpayers are urged to seek the advice of a qualified tax professional before proceeding with any tax credit rehabilitation project.

A building must be determined by the National Park Service to be a “certified historic structure,” meaning the building must be listed on the National Register of Historic Places or be certified as contributing to the significance of a local historic overlay zoning district.

After rehabilitation, the historic building must be used for an income-producing purpose, including commercial, industrial, agricultural, rental residential or multi-family residential, for at least five years. The credit cannot be used to rehabilitate your private residence. However, if a portion of a personal residence is used for business, such as an office or a rental apartment, in some instances the amount of rehabilitation costs spent on that portion of the residence may be eligible for the credit.

Rehabilitation work must be done per Secretary of the Interior's Standards for Rehabilitation.

The rehabilitation project must meet the “substantial rehabilitation test.” The cost of rehabilitation must exceed the pre-rehabilitation cost of the building. Generally, this test must be met within two years or within five years for a project completed in multiple phases. The cost of a project must exceed the greater of \$5,000 or the building’s adjusted basis. The following formula will help you determine if your project will be substantial:

· $A \text{ minus } B \text{ minus } C \text{ plus } D = \text{adjusted basis}$

A = purchase price of the property (building and land)

B = the cost of the land at the time of purchase

C = depreciation taken for an income-producing property

D = cost of any capital improvements made since purchase

The property must be substantially rehabilitated within a 24-month period selected by the taxpayer. It is important to note that any expenditure incurred by the taxpayer before the start of the 24-month period will increase the original adjusted basis. If the rehabilitation is completed in phases, the same rules apply, except that instead of a 24-

month period, a 60-month period is substituted with specific requirements.

The rehabilitation credit is available only if the taxpayer uses the straight-line method of depreciation. The current recovery period is 27.5 years for residential rental property and 39 years for non-residential real property.

The federal credit is not refundable, those credits are carried forward until fully used or 19 years whichever comes first.

For more information visit:

<http://www.nps.gov/tps/tax-incentives/before-you-apply.htm>

Note about the National Register: When a property is listed on the National Register of Historic Places and is not in Historic Overlay Zoning, the listed owner has no restrictions on what may be done with the property. The only way there could be restriction is during the Federal or State rehabilitation tax credits. If you do not use the tax credits no one may have a hand in the rehabilitation. The city tax moratorium has no restrictions on the rehabilitation.

Historic Review

The Historic Review Board meets once per month. The Certificate of Appropriateness (COA) Applications are due on the First Wednesday of every month. The process takes almost one month, so remember if you have a project you need to begin, make sure you give the approval process one month.

Our next Application due date is:

November 6th, 2013.

For Sale

Historic Homes For Sale

103 East Stephen Foster Avenue:

This grand Federal turn-of-the-century classic is known as the Harrison-Smith House, circa 1790. Sitting picturesquely on the court house square in Historic downtown Bardstown this property boasts an interesting and rich history.

The west limestone section of the home is the oldest. Whereas the east brick section was added around 1820. The home served as a Civil War Union recruiting site and was also home to several doctors that lived and worked on the property. Perhaps most well-known was Dr. Burr Harrison, who with Dr. Walter Brashear, in 1806, made medical history in surgical hip-joint amputation.

The modillion cornice unites the home's exceptional façade. Mature trees and a recently added courtyard adds charm and outdoor living/entertainment space, while an enclosed patio offers a "secret oasis."

Step inside and you are beckoned with 3 stories of finished living space, stunning hardwood floors throughout, a handsome staircase, tall ceilings & windows, and 5 fully functional fireplaces. You will fall in love with this exquisite home restored with love and integrity to the era.

Get lost in the 4 bedrooms, 2 full baths, 3 half baths, formal dining room, living room, parlor, family room, 1st and 2nd floor laundry, house kitchen, restaurant kitchen, and an artist's studio/loft with windows galore. 1-car detached garage and plenty of off street and on street parking.

This property is located in the heart of Bourbon Country and the Kentucky Bourbon Trail, and is offered as both a residential and commercial opportunity. Currently the property houses both its owners and the very successful Circa Restaurant with high visibility, fully equipped food service kitchen, malt beverage & retail liquor drink licenses, seating for 49 inside & 36 outside, and a stellar reputation. Take notice of this once in a lifetime opportunity.

\$499,000 Residence \$585,000 w/ Restaurant & Trade Fixtures Call Edward Seay 502-349-0051



131 North Third Street:

The People's Bank Building stands in a prime location at the corner of North Third Street and East Flaget Avenue in historic downtown Bardstown, one block from the court house square. It is one of the oldest continuously used commercial buildings in Bardstown. Beautifully restored in 2008 with new wiring, plumbing, HVAC, marble floors, awnings, refurbished first floor ceiling, and old Wathen Bottoms clock.

Currently the 4,050 SF building houses both retail and apartment leases and additionally has a 1,309 SF cellar with the original bank vault door. \$384,900 Call Edward Seay 502-349-0051



109 East Broadway Street:

A sprawling covered front porch adorned by ionic columns welcomes you to this historic home in downtown Bardstown, restored with luxurious modernizations to its Victorian beauty, a graceful entryway showcases a stain glass window, floating staircase, window bench, exquisite woodwork and 10 foot ceilings, gleaming hardwood floors throughout, a custom gourmet kitchen, 2-zone air conditioning and Rennai on demand water heater. Outdoor garden includes a formal landscape, mature trees & shade, oversized patio. 2 car garage with approximately 500 square feet of finished space above with 3/4 bath, heated and cooled, and is perfect for a professional home office or mother-in-law suite.

\$359,900 Call Betty Seay 502-349-0051



402 North Third Street:

Stunning Downtown Bardstown Historic Greek Revival Estate known as the James Carothers House, circa 1850. Built of limestone blocks this home proudly stands on a .28 acre lot with a scenic private walled garden, and features a raised foundation, detailed dentilled cornice, striking 2 story portico, and uniquely small second story windows. The over 4,588 finished square feet of living space contains a three story iron balustrade floating spiral staircase, brick floor finished basement, and a newly remodeled kitchen. Own a piece of history in Bardstown.

\$324,900 Call Betty Seay 502-349-0051



Remember to send your home listings to preservation@bardstowncable.net to be included in the January Newsletter! Free Advertising!

(These descriptions were provided by the realtors. This agency publishes the descriptions as received.)